(d) whether it is also a fact that banks are still not effectively lending to prospective borrowers in these sectors; and

(e) the steps Government has taken to encourage banks to utilize their enhanced liquidity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In response to the knock-on effects of the evolving global financial crisis on the domestic financial markets, the Reserve Bank of India (RBI) has taken a number of measures since mid-September, 2008 as indicated in the Third Quarter Review of January 27, 2009. The aim of these measures was to augment domestic and forex liquidity and to enable banks to continue to lend for productive purpose while maintaining credit quality so as to sustain the growth momentum. The measures of the RBI since mid-September, 2008 have resulted in augmentation of actual/potential liquidity of over Rs. 3,88,000 crore. In addition, the permanent reduction in Statutory Liquidity Ratio (SLR) by 1.0 per cent has made available liquid funds of the order of Rs. 40,000 crore for the purpose of credit expansion.

(b) and (c) The outstanding bank credit in 'housing loan' category has increased from Rs. 2,52,932 crore in March, 2008 to Rs. 2,62,277 crore in December, 2008 registering an increase of 3.9%. However, during this period, outstanding bank credit to automobile sector has decreased by 3.7% from Rs. 87,998 crore to Rs. 84,772 crore, mainly because of weak demand.

(d) and (e) Government and RBI have taken a series of measures to ensure uninterrupted availability of credit to various sectors of economy including housing and automobile sectors. The initiatives for housing and automobile sectors include providing a line of credit to Non-banking finance companies (NBFCs) specifically for purchase of commercial vehicles, introducing a refinance facility for National Housing Bank (NHB) for Rs. 4,000 crore, package for borrowers of home loans of upto Rs. 5 lacs and Rs. 5 to 20 lacs, providing assistance to States under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for purchase of buses of their urban transport system, etc. Further, Government and RBI have also advised banks to permit drawal of funds against the sanctioned working capital limits and term loan, guided by their usual commercial judgement, in view of improved liquidity in the markets.

India's potential for high growth

1086. SHRI VIJAY JAWAHARLAL DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of World Bank Report released in June, 2008 "Global Development Finance 2008", wherein it has been indicated that "India has the potential to sustain a high rate of growth for a longer period, but must remove infrastructure bottlenecks";

(b) if so, whether Government agree with this premise in the wake of current (2008) global recessionary trends; and

(c) whether our public-private partnership policy for raising new infrastructure is meeting our anticipated objectives of sustained high growth rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. there is no such sentence in Global Development Finance 2008, but one of the lead Economists of World Bank was quoted saying this while making a presentation on the findings of this report.

(b) Does not arise.

(c) Government is focusing on both public and private sector investment for developing new infrastructure for sustained high growth rate. The public Private Partnership (PPP) initiatives of the Government are also supporting this objective. These initiatives include viability gap funding for infrastructure PPP projects, long tenor financing and refinancing through India Infrastructure Finance Company Ltd. (IIFCL), support for meeting project development expenditure and capacity building of functionaries engaged in Public Private Partnerships (PPPs).

Investment in IFCI

1087. SHRI RUDRA NARAYAN PANY: Will the Minister of FINANCE be pleased to state:

(a) the aggregate investments in IFCI by public banks like SBI, insurance companies and UTI etc. as on 31st December, 2008;

(b) the amounts of sacrifice separately by above institution for restructuring their liabilities in IFCI;

(c) the financial assistance by his Ministry to IFCI after its registration as a company and the reasons therefor;

(d) whether his Ministry proposes to convert the Optionally Convertible Debentures into equity; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As intimated by the Industrial Finance Corporation of India Ltd. (IFCI), the details of investments made in IFCI Limited by Public Sector Banks, including SBI, Financial Institutions which includes Insurance Companies and UTI, etc. as on December 31, 2008 are as under:—

(Rs. in crore)

Facility	Public Sector Banks	Financial Institutions	Total
1	2	3	4
Non-Convertible Debentures	200.00	200.00	400.00